



OHIO AUDITOR OF STATE  
**KEITH FABER**





ZANESVILLE - WASHINGTON TOWNSHIP JOINT ECONOMIC DEVELOPMENT DISTRICT  
MUSKINGUM COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Accountant's Report on Applying Agreed-Upon Procedures.....	1

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Zanesville-Washington Township Joint Economic Development District  
Muskingum County  
401 Market Street  
Zanesville, Ohio 43701

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of the Zanesville-Washington Township Joint Economic Development District, Muskingum County, Ohio (the District), on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

### Cash

1. The City of Zanesville is custodian for the District's deposits, and therefore the City's deposit and investment pool holds the District's assets. We compared the District's fund balances reported on its December 31, 2018 Statement of Receipts, Disbursements, and Change in Fund Balance report filed on the Hinkle System to the balances reported in City of Zanesville's accounting records. The amounts agreed.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Statement of Receipts, Disbursements and Change in Fund Balance report filed on the Hinkle System to the December 31, 2016 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Statement of Receipts, Disbursements, and Change in Fund Balance report filed on the Hinkle System to the December 31, 2017 balances in the City's accounting records. We found no exceptions.

### Income Taxes

1. We confirmed the income tax amounts paid from the City of Zanesville to the District during 2018 and 2017, with the City. We found no exceptions.
  - a. We inspected the Detailed Receipt Transactions Reports to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We inspected the Detailed Receipt Transactions Reports to determine the receipts were recorded in the proper year. We found no exceptions.

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### **Income Taxes (Continued)**

2. As required by Section 10 of the Amendment of the Zanesville-Washington Township Joint Economic Development District Contract, we inspected the Detailed Receipt Transactions Report for 2018 and 2017 to determine whether each year included all four quarterly receipts from the City of Zanesville. There were no exceptions.

### **Debt**

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2016.
2. We inquired of management and inspected the Detailed Receipt Transactions Report and Detailed Expense Transaction Report for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. We noted no new debt issuances, nor any debt payment activity during 2018 or 2017.

### **Non-Payroll Cash Disbursements**

1. From the Issued Refunds Report, we re-footed checks recorded as Refund disbursements for 2018 and 2017 and compared them to the Refund expense reported on the Statement of Receipts, Disbursements and Change in Fund Balance. For 2018, the Issued Refunds Report totaled \$324,641. The Statement of Receipts, Disbursements and Change in Fund Balance report indicated that total refunds were \$334,336. For 2017, the Issued Refunds Report totaled \$189,239. The Statement of Receipts, Disbursements and Change in Fund Balance report indicated that total refunds were \$205,863. For 2018, we noted the net variance of \$9,695 appeared to be a result of a difference in the timing of refunds and when those refunds are reported as well as refunds of \$12,164 being reported twice as part of the Statement of Receipts, Disbursements and Change in Fund Balance report. According to management, for 2017, refunds which had been noted to be over-reported were corrected by reporting additional income tax receipts rather than reducing current refund amounts. After factoring in explanations provided by management, a variance of \$455 still existed between the documented refunds issued and those reported on the Statement of Receipts, Disbursements and Change in Fund Balance.
2. We selected a sample (agreed upon) of 10 disbursements from the Issued Refunds Report for the year ended December 31, 2018 and 10 from the year ended December 31, 2017 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Issued Refunds Report and/or Detail Expense Transaction Report and to the names and amounts on the supporting invoices. For 2018, we noted eight disbursements tested had check dates which varied by seven days or less between the returned canceled check and the Issued Refund Report and/or Detail Expense Transactions Report. For 2017, we found no exceptions.
  - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

### **Compliance – Bylaws**

We confirmed District income taxes collected were disbursed in the following manner in accordance with the Amendment of the JEDD Contract:

- a. Muskingum County received 30% of income tax collections from DGC Properties, Inc., the Bilco Company and the New Bakery Company of Ohio, Inc.

**Compliance – Bylaws (Continued)**

- b. The City of Zanesville received 70% of the income tax collections from DCG Properties, Inc., the Bilco Company and the New Bakery Company of Ohio, Inc.
- c. Washington Township received 5% of all remaining income tax revenues not previously mentioned in sections a. and b.
- d. Muskingum County received 47.5% of all remaining income tax revenues not previously mentioned in sections a. and b.
- e. The City of Zanesville received 47.5% of all remaining income tax revenues not previously mentioned in sections a. and b.

We found no exceptions.

**Other Compliance**

Ohio Rev. Code § 117.38 requires District's to file their financial information in the Hinkle System within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2018 and 2017 in the Hinkle System. There were no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is to provide assistance in it's the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 11, 2019

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OHIO AUDITOR OF STATE  
**KEITH FABER**



**ZANESVILLE-WASHINGTON TOWNSHIP JEDD**

**MUSKINGUM COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 26, 2019**